

P.O. Box No. 12070, Phila., Pa. 19106



7 JUN 1983

Dear Applicant:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(6) of the Internal Revenue Code.

The evidence submitted indicates that you were incorporated [REDACTED], under the laws of [REDACTED] to promote the utilization of computervision equipment and software; to coordinate the interest of members of the non-profit corporations in achieving improved operation of the computer equipment and to provide a platform for learning, sharing and discussing information, data and ideas.

Membership in your organization is limited to those who are representatives of companies owning or leasing [REDACTED] systems within the [REDACTED] geographic area and are directly associated with the system.

Your activities consist of two three day meetings held for the purpose of disseminating information regarding the efficient and productive operation of [REDACTED] software and hardware. You also publish a quarterly newsletter.

Your funding consists of registration fees from the meetings.

Disbursements include bank charges, mailings and meeting expenses.

Section 501(c)(6) of the Internal Revenue Code provides for the exemption from Federal income tax of business leagues, chambers of commerce, real estate boards, boards of trade, and professional football leagues (whether or not administering a pension fund for football players), which are not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6) of the Income Tax Regulations defines a business league as an association of persons having some common business interest, the purpose

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname	[REDACTED]	[REDACTED]	[REDACTED]				
Date	5/23/83	Jpr	6/2/83				

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of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for members.

Revenue Ruling 68-182 holds that an organization promoting a single brand or product within a line of business does not qualify for exemption under section 501(c)(6).

Revenue Ruling 74-147 states that an organization whose members from various businesses owned, rented, or leased digital computers from various manufacturers improved the efficiency of its member's use of computers and qualified for exemption under section 501(c)(6). In this ruling, the computers were not from a single manufacturer.

In *National Muffler Dealers Association, Inc., vs U.S.*, 440 U.S. 472 (1979), the Court held that an association of a particular brand name of muffler dealers does not qualify for exemption as a business league because its line of business was too narrow.

On the basis of the information submitted, we have concluded that you are not entitled to exemption under section 501(c)(6) of the Internal Revenue Code since your activities and membership requirements promote the services of a single manufacturer and constitute the performance of particular services for individuals. Your organization promotes the business interests of your members rather than the improvement of conditions of one or more lines of business.

You are required to file Federal income tax returns on Form 1120.

You have the right to appeal this determination if you believe it is incorrect. To appeal, please refer to the enclosed Publication 892.

If we do not hear from you within 30 days from the date of this letter, this determination will be final.

Sincerely yours,

Enclosure:
Publication 892


District Director

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname							
Date							